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DEPARTMENT OF COMMERCE

International Trade Administration

[C-122-858]

Certain Softwood Lumber Products from Canada: Final Results of Countervailing Duty Expedited Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) has conducted an expedited review of the countervailing duty (CVD) order on certain softwood lumber products (softwood lumber) from Canada for the producers/exporters that requested a review. As a result, we are excluding certain producers/exporters from the CVD order on lumber from Canada. We also find that certain producers/exporters received countervailable subsidies at above *de minimis* rates during the January 1, 2015, through December 31, 2015, period of review.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Kristen Johnson or Nicholas Czajkowski, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793 and (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of the expedited review on February 1, 2019.¹ A summary of the events that occurred since Commerce published the *Preliminary Results*, as well as a full discussion of the issues raised by parties for the final results, may be found in the Issues and Decision Memorandum.² The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov/>, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

Scope of the Order

The product covered by this order is certain softwood lumber products from Canada. A full description of the scope of the order is contained in the Issues and Decision Memorandum.³

Methodology

Commerce has conducted this CVD expedited review in accordance with section 103(a) of the Uruguay Round Agreements Act (URAA) and 19 CFR 351.214(k). For a full description of the methodology underlying our conclusions, *see* the Issues and Decision Memorandum. The subsidy programs under review, and the issues raised in the case and rebuttal briefs submitted by

¹ *See Certain Softwood Lumber Products From Canada: Preliminary Results of Countervailing Duty Expedited Review*, 84 FR 1051 (February 1, 2019) (*Preliminary Results*).

² *See* Memorandum, "Issues and Decision Memorandum for the Final Results of Expedited Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada," dated concurrently with, and hereby adopted by this notice.

³ *Id.*

the parties, are discussed in the Issues and Decision Memorandum. A list of the issues that parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice at the Appendix.

Based on our review and analysis of the comments received from parties, we made changes to the subsidy rate calculations for certain producers/exporters since the *Preliminary Results*. For a discussion of these changes, see the Issues and Decision Memorandum and the Final Calculation Memoranda.⁴

We determined a CVD rate for each producer/exporter of the subject merchandise that requested an expedited review.

Final Results of the Expedited Review

As a result of this expedited review, we determine the countervailable subsidy rates to be:

Producer/Exporter	Subsidy Rate
Fontaine Inc. and its cross-owned affiliates ⁵ (Fontaine)	1.26
Les Produits Forestiers D&G Ltée and its cross-owned affiliates ⁶ (D&G)	*0.21
Marcel Lauzon Inc. and its cross-owned affiliates (MLI) ⁷	*0.42
Mobilier Rustique (Beauce) Inc. and its cross-owned affiliates ⁸	1.99
North American Forest Products Ltd. and its cross-owned affiliates ⁹ (NAFP)	*0.17

⁴ *Id.*

⁵ Commerce finds the following companies to be cross-owned with Fontaine Inc.: Gestion Natanis Inc., Les Placements Jean-Paul Fontaine Ltée, and Placements Nicolas Fontaine Inc.

⁶ Commerce finds the following companies to be cross-owned with Les Produits Forestiers D&G Ltée: Le Groupe Gesco-Star Ltée, Les Produits Forestiers Portbec Ltée, and Les Produits Forestiers Startrees Ltée.

⁷ Commerce finds the following companies to be cross-owned with Marcel Lauzon Inc.: Placements Marcel Lauzon Ltée and Investissements LRC Inc.

⁸ Commerce finds the following companies to be cross-owned with Mobilier Rustique (Beauce) Inc.: J.F.S.R. Inc., Gestion C.A. Rancourt Inc., Gestion J.F. Rancourt Inc., Gestion Suzie Rancourt Inc., Gestion P.H.Q. Inc., 9331-3419 Quebec Inc., 9331-3468 Quebec Inc., and SPQ Inc.

⁹ Commerce finds the following companies to be cross-owned with North American Forest Products Ltd.: Parent-Violette Gestion Ltée and Le Groupe Parent Ltée.

Produits Matra Inc. and Sechoirs de Beauce Inc. and their cross-owned affiliate ¹⁰	5.80
Roland Boulanger & Cie Ltée and its cross-owned affiliates ¹¹ (Roland)	*0.31
Scierie Alexandre Lemay & Fils Inc. and its cross-owned affiliates (Lemay) ¹²	*0.05

**de minimis subsidy rate*

Cash Deposit Instructions

Pursuant to section 19 CFR 351.214(k)(3)(iii), the final results of this expedited review will not be the basis for the assessment of countervailing duties. Upon the issuance of these final results, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits of estimated countervailing duties for the companies subject to this expedited review, at the rates shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this expedited review. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Pursuant to 19 CFR 351.214(k)(3)(iv), because we have determined a countervailable subsidy rate for D&G, MLI, NAFP, Roland, and Lemay that is *de minimis*, with these final results of expedited review, we determine to exclude D&G, MLI, NAFP, Roland, and Lemay from the CVD order. Commerce's practice with respect to exclusions of companies from a CVD duty order is to exclude the subject merchandise both produced and exported by those

¹⁰ Commerce finds Bois Ouvre de Beauceville (1992), Inc. to be cross-owned with Produits Matra, Inc. (Matra) and Sechoirs de Beauce Inc. (Sechoirs). Matra and Sechoirs submitted separate requests for the expedited review; however, based on record evidence, we found them to be cross-owned, and therefore calculated a single countervailing duty rate for both. Collectively, we refer to Matra, Sechoirs, and their cross-owned affiliate as Groupe Matra.

¹¹ Commerce finds the following companies to be cross-owned with Roland Boulanger & Cie Ltée: Industries Daveluyville, Inc. and Les Manufacturiers Warwick Ltée.

¹² Commerce finds the following companies to be cross-owned with Scierie Alexandre Lemay & Fils Inc.: Bois Lemay Inc. and Industrie Lemay Inc.

companies.¹³ As a result, we will instruct CBP to discontinue the suspension of liquidation and the collection of cash deposits of estimated countervailing duties on all shipments of softwood lumber produced and exported by D&G, MLI, NAFP, Roland, and Lemay, entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results. In addition, we will instruct CBP to liquidate, without regard to countervailing duties, all suspended entries of shipments of softwood lumber produced and exported by D&G, MLI, NAFP, Roland, and Lemay, and to refund all cash deposits of estimated countervailing duties collected on all such shipments. Merchandise which D&G, MLI, NAFP, Roland, and Lemay exports but does not produce, as well as merchandise D&G, MLI, NAFP, Roland, and Lemay produces but is exported by another company, remains subject to the CVD order.

Administrative Protective Orders

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

¹³ See, e.g. *Certain Corrosion-Resistant Steel Products from India, Italy, Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016).

Notification to Interested Parties

This determination is issued and published pursuant to section 103(a) of the URAA and in accordance with sections 19 CFR 351.214(k) and 19 CFR 351.221(b)(5).

Dated: June 28, 2019.

Alex Villanueva,

Senior Director, Office I,

Antidumping and Countervailing Duty Operations.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation
- V. Analysis of Programs
- VI. Discussion of the Issues
 - Comment 1: Whether Article 19.3 of the Subsidies and Countervailing Measures (SCM) Agreement Requires “Expedited CVD Reviews”
 - Comment 2: Whether Reviews Conducted Under Section 751(a)(2)(B) of the Act Are Limited to New Exporters and Producers
 - Comment 3: Whether Reviews Conducted Under Section 751(a) of the Act Cannot Begin Until at Least the Anniversary of the CVD Order and Must Act as the Basis for the Assessment of CVD Duties
 - Comment 4: Whether Section 736(c) of the Act Can Serve as the Basis for Conducting CVD Expedited Reviews
 - Comment 5: Whether Commerce Should Account for Respondents’ Purchases of Subject Merchandise/Rough-Hewn Lumber and Whether Commerce Should Assign the “All-Others” Rate from the CVD Order to the Respondents in the Current Proceeding
 - Comment 6: Whether the Accelerated Capital Cost Allowance (ACCA) for Class 29 Assets Program Is *De Jure* Specific
 - Comment 7: Whether the Provincial and Federal Logging Tax Credits (PLTC and FLTC) Are Countervailable
 - Comment 8: Whether Business Development Bank of Canada (BDC) Loans Are Specific and Countervailable
 - Comment 9: Whether Commerce Correctly Determined Specificity for Various Tax and Employment Programs
 - Comment 10: Whether the Workforce Skills Development and Recognition Fund (aka, FDRCMO) Is *De Facto* Specific
 - Comment 11: Whether the Immigrant Investor Program Is *De Facto* Specific
 - Comment 12: Whether the Tax Credit for On-the-Job Training Period Is *De Facto* Specific
 - Comment 13: Whether the Tax Credit for Investments Relating to Manufacturing and Processing Equipment Is *De Jure* Specific
 - Comment 14: Whether the Scientific Research and Experimental Development (SR&ED) Tax Measure Is *De Facto* Specific
 - Comment 15: Whether Matra and Sechoirs Should Be Treated Separately
 - Comment 16: Whether Commerce Should Find Groupe Matra To Be Creditworthy
 - Comment 17: Whether Commerce Erred in Its Analysis of Investissement Québec (IQ) Guaranteed Loans
 - Comment 18: Whether Commerce Should Continue to Apply Partial Adverse Facts Available (AFA) to the Immigrant Investor Program

- Comment 19: Whether it Was Proper for Commerce to Consider New Subsidy Allegations in an Expedited Review
- Comment 20: Whether New Brunswick's Property Tax Incentives for Private Forest Producers Is Countervailable
- Comment 21: Whether the Benefit Analysis for New Brunswick's Property Assessment System Should Be Adjusted
- Comment 22: Whether Commerce Should Correct Fontaine's Total Sales Amount
- Comment 23: Whether Commerce Should Use Fontaine's Taxes Paid in 2015 to Calculate Receipt of Alleged Benefits During the Period of Review (POR)

VII. Recommendation

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